FEB 5 1980

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 9476

MANAGED INPUT DELIVERY AND AGRICULTURAL SERVICES

Agreement Between the
UNITED STATES OF AMERICA
and GHANA

Signed at Accra March 31, 1978

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

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GHANA

Managed Input Delivery and Agricultural Services

Agreement signed at Accra March 31, 1978;
Entered into force March 31, 1978.

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

The Ministry of Economic Planning

AN AGENCY OF THE Government of Ghana

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- ☒ PROJECT DESCRIPTION ANNEX A
- ☐ FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- ☒ STANDARD PROVISIONS ANNEX [1]
- ☐ SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

☒ GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE 3 June 1957 [2]
☐ ECONOMIC COOPERATION AGREEMENT	DATE
☐ (other)	DATE

1. PROJECT/ACTIVITY NO.: 641-0067

2. AGREEMENT NO.: 641-0067-78-9

3. ☒ ORIGINAL OR REVISION NO. ___

4. PROJECT/ACTIVITY TITLE: Managed Input Delivery and Agricultural Services (MIDAS)

5. PROJECT DESCRIPTION AND EXPLANATION: (See Annex A attached)

6. AID APPROPRIATION SYMBOL: 72-1181021.3

7. AID ALLOTMENT SYMBOL: ~~843-60-641-00-60-81~~

8. AID FINANCING ☐ DOLLARS ☐ LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		$1,600,000		$1,600,000
(b) Contract Services		348,000		348,000
Participants		242,200		242,000
(c) Commodities		337,800		337,800
(d) Other Costs		672,000		672,000
9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and Other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This agreement provides additional funding for the grant portion of the MIDAS project, as described in annexes A and B hereto.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
3/30/78		March 31, 1981

14. FOR THE COOPERATING GOVERNMENT OR AGENCY	15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
ROBERT GARDNER	IRVIN D. COKER
SIGNATURE:	SIGNATURE: Irvin D. Coker
DATE:	DATE: 31st Mar. 78
TITLE: for Principal Secretary *Ministry of Economic Planning*	TITLE: *Director, USAID/GHANA*

[1] Not printed herein. For text, see TIAS 8590; 28 UST 3635.
[2] TIAS 3838; 8 UST 793.
[Footnotes added by the Department of State.]

ANNEX A

THIRD TWELVE MONTH INPUTS OF PHASE I

The goal and purpose of the project remain as stated in ProAg 0067–77–8 signed September 27, 1977.

This agreement obligates $1.6 million in A.I.D. Grant funds to finance the third twelve month period of activity in a coordinated effort between the Agency for International Development (USAID), the Ministry of Agriculture (MOA), the Bank of Ghana (BOG), the Agricultural Development Bank (ADB), and the Ghana Fertilizer Company (GFC).

This agreement also commits the Government of Ghana (GOG) to provide and commit funds in the amount of ¢1,748,000 (see footnote in Annex B) from the budget for Ghanaian Fiscal Year 78/79 and other sources for the third 12-month period of Phase I.

I. Specific Targets and Activities:

USAID and the GOG agencies listed in Section III above will seek to carry out jointly the activities described below. A summary of funding commitments made herein is given in Annex B.

A. Small Farmer Credit Expansion (ADB)

The project will retain the existing 16 branch offices and expand credit availability and accessibility by establishing 14 new Farm Loan Offices (FLOs) in outlying rural areas where there are concentrations of small farmers.

An in-service training program will be organized to meet the needs of an expanded and reoriented staff with appropriate loan approval authority. The training program will expand ADB's training in streamlining loan approval for loans to individual small farmers, disbursement and collection procedures as a continuing concept.

The USG has authorized a loan to finance commodities in relation to the small farmer credit expansion activities. AID is also prepared to consider future additional grant financing, subject to the availability of funds.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The GOG agrees that the ADB will:

   a. establish not less than 10 new FLOs in the third year of the project in areas having substantial concentrations of small farmers. The establishment costs of FLOs will be loan-funded by USAID. Each FLO will have a project officer in charge who will have appropriate loan approval authority; an assistant project officer responsible for coordinating input distribution and product marketing activities in the area served by FLOs; a senior loan assistant responsible for loan recoveries; and a loan assistant responsible for loan supervision and formation of groups.

b. continue to streamline and simplify loan/credit procedures and operations;

c. continue to decentralize loan approval authority and service activities permitting FLO staff to make over-the-counter loans at the FLOs;

d. continue the coordination program with the MOA for loan/credit supervision by utilizing the Extension Service in assisting farmers with production, farm management and marketing practices;

e. conduct appropriate staff training programs in developing annual objectives and strategies for achieving them, carrying out organizational research and evaluation activities, and performing all loan making and follow-up activities;

f. disseminate the findings of the applied research effort through the assistant projects officer and in liaison with the extension service field trials activity assisted by the field trials officer under the extension/demonstration component of the project;

g. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technicians;

h. advance funds to the USAID in the amount of ¢10,000 per U.S. technician for the first year the technician is on-board and ¢7,000 per person each succeeding year in support of the joint program. The ADB's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID, contingent upon USAID's contribution to the project during those years;

i. provide administrative and secretarial support, and office space for the two AID-funded technicians;

j. provide a driver, when required, for AID-funded vehicles, being utilized by U.S. technicians;

k. continue to pay participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The ADB will also provide a warm clothing allowance and such other assistance as it usually grants its employees on study leave. The ADB also undertakes to employ the participants on their return, for a minimum period of two years and will take such measures as are necessary to ensure that each participant understands and honors his/her commitment to the project.

2. USAID agrees to provide:

a. the second year of two-year services of two U.S. technicians, one training specialist and one farm loan specialist; and short-term consultant services in evaluation, marketing, and de-

velopment offtraining program curriculum. Provision of the U.S. technical services beyond the initial two years will be contingent upon evaluation of the program, the justification for their continuation, a request for their services from the ADB, the concurrence from USAID, and the availability of funds;

b. participant training in such fields as economics and credit management;

c. support for technical services now in process including maintenance and petrol for AID-funded vehicles utilized by U.S. technicians.

d. commodities such as office equipment and training materials.

B. The Ghana Fertilizer Company (GFC)

A description of assistance to the GFC, which is expected to become operational in the latter part of FY 1978 will be included in subsequent ProAgs.

C. Seed Multiplication

Project Inputs/Activities Committed by this Agreement:

1. The Government of Ghana agrees that the MOA/SMU will:

a. continue and improve the operations and production of appropriate foundation seed farms;

b. construct physical plants to house the seed processing equipment at various locations;

c. continue to contract with appropriate private growers to multiply certified seed from the foundation seed produced on the seed farms;

d. arrange for the widest possible distribution of the seed. This will encompass developing a program for distributing seed through the distribution/marketing channels arranged for fertilizer, etc.

e. provide recurrent costs for operation of the seed farms and processing plants;

f. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technicians;

g. advance funds to USAID in the amount of ¢10,000 per U.S. technician for the first year the technician is on-board and ¢7,000 per person in each succeeding year as a contribution to the support of the project. The MOA's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID contingent upon USAID's contribution to the project during these years;

h. continue to provide administrative and secretarial support, and office space for the two AID-funded technicians;
i. continue to provide drivers as required for AID-funded vehicles, being utilized by U.S. technicians;
j. continue to select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The MOA will also provide a warm clothing allowance and such other assistance as it usually grants Ministry employees on study leave. The MOA also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained and will take such measures as are necessary to ensure that each participant understands and honors his/her commitments to the project.

2. USAID agrees to provide:

a. the second year of two-year services of two U.S. technicians in the fields of seed processing and seed enterprise management/operations, and short-term consultant services in agricultural engineering; provision of the U.S. technician services beyond the initial two years will be contingent upon the evaluation of the program, the justification for their continuation, a request for their services from the Seed Multiplication Unit, concurrence from USAID and the availability of funds;
b. maintenance and petrol for the AID-funded vehicles utilized by the U.S. technicians;
c. training of new participants and those already under way in such fields as seed technology and agricultural engineering;
d. commodities such as vehicles, agricultural equipment and seed processing equipment and training materials.

D. Small Farm Systems Research

As previously agreed the MOA with USAID assistance will establish a research station in the Atebubu District and staff it with an inter-disciplinary research team. The station is to become operational mid-CY 1978. Work at the station will be preceded by a number of activities during a one-year Phase I period beginning mid-year 1978. These activities include:

1. zero tillage trials and breeding and screening of crop varieties important to Atebubu District and the transitional zone;
2. undertaking socio-economic and agronomic/biological baseline, production/farming systems, land capability/management surveys of the Atebubu District;

3. training of appropriate personnel in farm systems research work at the International Institute of Tropical Agriculture, Ibadan, Nigeria.

Following the Phase I period, and subject to the availability of funds, AID is prepared to continue to finance a Phase II providing long-term technical services training, selected commodities to assist in implementing the research program, and funds necessary for the foreign exchange cost of constructing houses to be utilized by contract personnel.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The GOG Agrees to:

   a. provide field support and operating costs of the activity;
   b. provide land and buildings for the research station;
   c. provide appropriate research personnel to cooperate with the AID-funded technicians in designing the research program and the clerical staff to support these personnel.

2. USAID agrees to provide:

   a. Research personnel to design and develop a small farm research program and to assist with baseline studies and surveys.
   b. Training for Ghanaians at the International Institute of Tropical Agriculture, Nigeria, and in the U.S. in such fields as root crops, research/production training.
   c. Assistance to establish a research station and the associated facilities.
   d. Maintenance and petrol for the AID-funded vehicles utilized by U.S. technicians.
   e. Commodities such as agriculture equipment and a small irrigation system and vehicles.

E. Marketing

The pilot activity as described in previous agreements will be implemented in the Atebubu District. At least two new Farm Loan Officers (FLOs) will also be established in the area. A report on initial field baseline survey conducted to determine the extent to which farmers are being provided the required marketing services and by whom these services are provided has recommended interventions to be experimented with by selecting a few (approximately 3–5) small traders and/or farmer cooperative/marketing associations to participate in the program.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The GOG agrees that the Bank of Ghana in conjunction with MOA/DERPS shall:

   a. cooperate with USAID to establish a monitoring evaluation system for marketing interventions to be implemented;

b. ensure that loans made with funds provided by USAID shall be extended to private traders or cooperatives at prevailing commercial terms for working capital, to purchase tractors and trailers, to construct simple rural assembly points and to finance advance purchases of agricultural inputs;

c. establish a revolving fund from loan repayments of principal and payments of interest on loans made as a result of the commodities provided by AID on a grant basis under this project. A reasonable amount may be withheld from the fund to finance BOG's cost in connection with its participation in the marketing activity. The revolving fund will be used to continue and expand the credit element of this activity;

d. contract and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded advisors;

e. select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide them economy class air transportation from Accra to Washington, D.C. and return. The BOG will also provide a warm clothing allowance and such assistance as it usually grants its employees on study leave. The BOG also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained, and will take such measures as are necessary to ensure that each participant understands and honors his/her commitment to the project;

f. provide services of a driver when required for the AID-funded vehicle being utilized for project activities.

2. The USAID agrees to provide:

a. Technical assistance for monitoring and evaluation of marketing interventions;

b. Commodities such as scales, dryers, construction supplies;

c. Participant training, in such fields as business administration, cooperatives, marketing systems, etc.

d. Other costs, including follow up survey.

F. Extension/Demonstration

Objectives described under previous agreements remain in force with the exception under the Home Extension Unit indicated below.

Home Extension Unit:

Each field worker is expected to reach 4 villages in a sub-district during the third year. Within each sub-district (10 to 18 villages), the extension officer works with as many people as possible and at any given time will have at least 80 women and 40 youths participating to adopt ideas, techniques and projects the program offers.

During each ensuing year, the field worker is expected to reach two additional villages, i.e., 40 additional women and 20 additional youths in these villages. Eventually, the program will have a total coverage in all of Ghana's 58 districts with about 250 sub-districts.

Field workers are supported, supervised and evaluated by district supervisors who in turn are responsible to the headquarters in Accra, staffed by two professionals and a number of senior technical officers.

PROJECT INPUTS/ACTIVITIES COMMITTED BY THIS AGREEMENT

1. The Government of Ghana agrees that the MOA will:

a. disseminate the findings of the applied research effort through the extension service field trials activity assisted by the U.S. field trials officer, by the Small Farmer Applied Research Activity, and in liaison with the assistant projects officers attached to the FLOs;

b. establish 100 trial demonstrations involving fertilizer, seeds and agronomic practices on farmers' fields, managed to the maximum extent by the farmers, with guidance from the Extension Service;

c. undertake appropriate data collection and an evaluation system for the agronomic/fertilizer demonstrations, periodically inspect the demonstrations and record responses and yields resulting from the trials; and assure that the information is disseminated to producers and input suppliers;

d. assure effective outreach of the Crop Production Division. Close coordination at all working levels will be maintained with the USAID-assisted Field Trials Program, ADB's Small Farmer Credit Program, GFC's Sales Promotion Program, the MOA Department of Research and Planning Services and the Home Extension Unit;

e. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded advisor;

f. advance funds to the USAID in the amount of ¢10,000 for each U.S. technician for the first year the technician is onboard and ¢7,000 per person each succeeding year as a contribution to the support of the program. The MOA's payment for the first 12 months will be made directly to USAID in a lump-sum within sixty (60) days of the signature of this agreement. Funds for succeeding years will be provided upon request of USAID, contingent upon USAID's contribution to the project during those years.

g. provide administrative and secretarial support, and office space for the AID-funded advisor;

h. provide a driver as required for the AID-funded vehicles being utilized by U.S. advisors.

2. The MOA Home Extension Unit agrees to:

a. establish 100 trial demonstrations involving fertilizer, seeds and agronomic practices on farmers' fields, managed to the maximum extent by the farmers, with guidance from the Extension Service;
b. undertake appropriate data collection and evaluation system for the agronomic/fertilizer demonstrations, periodically inspect the demonstrations and record responses and yields resulting from the trials, and assure that the information is disseminated to producers and input suppliers;
c. carry out the activities stated in the objectives:

1) each field worker reach and implement activities in 4 villages;
2) to begin construction on the 4 farm/home demonstration centers that remain out of the 10 scheduled for year one; subject to the availability of cement/labor begin construction on the 10 scheduled for year two, and implement activities in all centers;
3) establish the farm/home demonstration centers based on design and costs commensurate with those of small-scale farm housing practices in each respective area. They will be established at sites to be identified later.

d. provide recurrent costs for vehicle operation/maintenance, demonstration centers, staff, etc.;
e. hire and/or make available in a timely manner Ghanaian staff with the requisite technical skills to work jointly with the AID-funded technician;
f. select appropriate candidates for participant training, pay the participants' salaries during the period of their training in the U.S. and provide economy class air transportation from Accra to Washington, D.C. and return. The MOA will also provide a warm clothing allowance and such other assistance as it usually grants MOA employees on study leave. The Home Extension Unit also undertakes to employ the participants on their return, for a minimum period of two years in the positions for which they have been trained and will take such measures as are necessary to ensure that the participant understands and honors his/her commitment to the project.

3. Department of Home Science agrees to:

a. continue to provide research backstopping support, develop instructional materials and intermediate labor-saving farm/home technologies, and conduct two short-term training programs for field workers for the Home Extension Unit;
b. continue to provide recurrent costs for staff, laboratory operation, etc.

4. The USAID agrees to provide for:

a. the Home Science Division, University of Ghana:

1. local currency costs for workshops, staff field visits, costs of surveys, etc.;
2. short-term technical services;
3. commodities, including a typewriter, photo copier paper, etc.

b. the Home Extension Unit:

1. Up to $4,000 each for construction of three demonstration houses at various locations;
2. Vehicles for survey work, staff field visits, extension work, etc.
3. Participant training in such fields as Home Economics, Agriculture Science, Teachers' Education, etc.

c. MOA Extension Unit:

1. Services of a full-time fertilizer demonstration/trials specialist to assist the MOA Extension Unit and the Extension/Field Service;
2. One Suburban vehicle for the Extension Service;
3. Support and travel costs for the U.S. project technicians.

II. Evaluation

USAID will provide technical services and other costs support to establish a framework for evaluation of the entire MIDAS project when recommended by the Ministry of Agriculture and the Agricultural Development Bank.

III. Administration

USAID will also utilize portions of the funds herein obligated for project related operations and support costs of project technicians and managers to include a vehicle for the Ministry of Economic Planning Coordinating Committee.

ANNEX B

Total Estimated GOG Contribution During Year Three Including GOG Incremental Budget Contributions
(¢000)

Sub-Activity	Technical Services Support	Operating Costs	Partic-ipants	Other	Total
Credit—ADB [1]	2	1007	—	—	1009
Fertilizer—GFC [1]	—	733	—	—	733
Seeds—MOA *	2	576	14	745	1337
Research—MOA *	76	70	—	—	146
Marketing—BOG	3	3	5	—	11
Extension/Demonstration—MOA *	19	221	9	16	265
Total	102	2610	28	761	3501
*Total Incremental GOG Budget Contributions	97	867	23	761	1748

[1] These contributions will be funded out of the profit margins expected from the operations/activities resulting from this program.

NOTE: The above figures are illustrative. The individual line items may vary as specific elements are implemented and final budgets prepared. The figures exclude activities such as budget for (a) operating costs/technical service support/participant training for GFC, (b) construction and installation cost of loan-funded and facilities for the SMU and (c) operating expenses/field and support staff/research laboratory construction of MOA Applied Research component planned for the first and second years but not undertaken due to delay in signing of MIDAS loan or meeting Conditions Precedent (CPa), These amounts are ¢3,030,000 for GFC; ¢744,000 for SMU and ¢397,000 for MOA Applied Research component.

U.S. GOVERNMENT PRINTING OFFICE: 1979